(a) whether Government have fomulated a new policy to promote aviation facilities in view of the fact that there is still scope in the country to make substantial increase in the earning from the aviation sector;

(b) if so, the details thereof; and

(c) the additional increase likely to be earned by the Government as a result thereof?

THE MINISTER OF CIVIL AVIATION (SHRI SHARAD YADAV): (a) to (c) A new draft of the National policy on Civil Aviation is under formulation.

Recommendation of Kelkar Committee on Disinvestment of Indian Airlines

653. SHRI SITARAM KESRI: Will the Minister of CIVIL AVIATION be pleased to state:

(a) whether Government have examined the recommendations of the Kelkar Committee on disinvestment by Indian Airlines; and

(b) if so, the decision taken by Government in the matter?

THE MINISTER OF CIVIL AVIATION (SHRI SHARAD YADAV): (a) and (b) A Committee was constituted under the Chairmanship of Dr. Vijay Kelkar, to examine the reasons for losses, and develop strategies for turning around Indian Airlines. The recommendations of the Committee have been examined and following decisions taken:—

(A) Government will release Rs. 325 crores as equity injection to Indian Airlines subject to the following:—

(i) Payment to be released in phases and in the form of margin money for the acquisition of aircraft.

(ii) Indian Airlines achieving milestones conveyed to Ministry of Finance on 19.12.1997 as also showing improved productivity and better working results.

(B) Indian Airlines will be permitted to mobilise funds from the capital market through Initial Public Offering(IPO) and/or any other modalities available for restructuring.